

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	FCCS SB 241
Fiscal Note Number:	32
(S) Publish Date:	3/28/2020

Identifier: SB241CCSCSCS(CC)-DOA-OAH-3-28-20
Title: EXTENDING COVID 19 DECLARATION/RELIEF
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Conference Committee

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Office of Administrative Hearings
OMB Component Number: 2771

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version/comments:

Not applicable. Initial version.

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Phone: (907)602-6161
Date: 03/28/2020
Date: 03/28/20

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION**Analysis**

The Alaska Commission on Postsecondary Education (Commission) currently offers forbearance from collection and forbearance from garnishment to borrowers who indicate financial hardship, and the Commission is also forbearing from all new garnishments during the pandemic emergency. This bill would expand forbearance from garnishment to all borrowers, regardless of whether they are experiencing hardship as a result of the pandemic.

The financial impact of this bill would be to the Alaska Student Loan Corporation (Corporation), which finances these loans, in the form of revenue deferral and thus cash flow impairment. An additional impact would be losses from borrower non-payment, based on the decreased likelihood of ever collecting on a defaulted loan after forbearance from collection. It is not possible to quantify downstream impacts of cash flow impairment and defaulted loan losses.

The impact to borrowers for whom the Corporation forbears from collection is that their loans may negatively amortize, and their costs of borrowing will increase if they do not fulfill their repayment obligation once the forbearance period ends. General risks of forbearance are losing contact with the borrower and borrower lack of awareness when payments again become due. The impact to future borrowers is that they will experience higher interest rates.